



Durham Convention Center Authority meeting

Tuesday, September 21, 2010

8:00 am

The meeting was called to order at 8:00AM with the following representatives present:

Authority: Rosemarie Kitchin, Dawn Paffenroth, and Patrick Byker. *Owners:* Sharon DeShazo, Joel Reitzer (per conference call), Jina Propst, Karmisha Wallace, and Drew Cummings.

Management Company: Richard Brezinski, Joseph Hofmann, and Wendy Jeffries. The Authority did not have a quorum and approval of the minutes was deferred until October 19.

Open Issues:

- Capital Project phase II
- Surface Parking Lot security update
- Convention Center Marketing/Public Relations Initiatives

Action Items:

- Discussion of Revenue Improvement/New Hotel Task Force
- Management Agreement Update

Management Company report:

August revenues are \$61,731.22 and \$17,938.14 below revenues from the prior year. Current bookings for the month result from 26 events, and 25 events from the prior year. Total number of future events booked is 24 with total revenue booked at \$86,870. Total number of future events booked prior year was 36. Major Convention Center events held during August include seven social events, Solar Academy Training and Thermo Fisher Scientific. Total food and beverage received are \$53,787.22, room rental received is \$4,368 and Audio/Visual revenues are \$2,826 while Audio/Visual expenses are \$3,953.60. Shaner anticipates stronger revenues from September through December which is the peak banquet/catering season.

The Convention Center website is now listed on page four on Google and page two of New Media Campaigns site. It is listed first and second when searching Durham Convention Center Wedding.

The Management Company has included in their month's reporting the Sales and Marketing department list of deployment by position. There are seven positions noted: Director of Sales, three Sales Managers, a Catering Manager, an Event Meeting Manager, a Convention Services Manager and an Office Coordinator. Shaner is working on a marketing plan to reflect November 1, 2010 through June 2011.

More than twenty-five percent of annual event leads are provided through Marriott National Sales. If Shaner does not win the management company contract, the Convention Center would lose Marriott leads. Mr. Reitzer suggested bidding Marriott leads until we get a contract. Most third party leads are local and are issued for both events and sleeping rooms. Leads achieved without sleeping rooms would decline from outside RFP sources.

Currently the Management Company has to defer business due to the scheduled Phase II construction.

Meeting Summary:

- Regarding the surface parking lot lighting issue, the security system bid is currently \$7,000. Shaner is requesting the Owners pay half; however, Parking is not a convention center asset. The Parking contract has been moved to the City of Durham Transportation Department. The City of Durham General Services Department does not receive revenues collected through the surface parking lot. Mark Ahrendsen, Director of Transportation will need to respond to Mr. Brzezinski's request. The Centre Parking Deck was suggested as temporary parking while the cameras are installed.
- Shaner is aware that they are responsible for Parking maintenance and repairs.
- Mr. Reitzer stated we need to decide the sales allocation for the Owners and Shaner.
- Pueblo, Colorado is a collaborative arrangement between the Convention Center and the Marriott Hotel, which currently exists. The two appear to have a good working relationship per one of the Marriott employees.
- Shaner noted that the pre-function corridor is difficult to cool. There is no thermostat in the hallway. This information will be forwarded to the project designer.
- Phase II construction schedule update.
 - The design finishes for the Convention Center phase II project have been accepted. If there is room in the budget per certain items being under budget, there may be funding for ancillary items such as pictures and furniture.
 - The City of Durham, General Services Department is expecting a complete set of construction documents. The chillers have been bid and the cost of the equipment is significantly under budget by approximately \$80,000 and is on schedule.
 - A Durham Convention Center Phase II construction pre-bid meeting is scheduled for October 7, and bids are due on October 19. The General Services staff is preparing an agenda item and PGMP (Pre Guaranteed Maximum Price) for City Council on November 1.
- Members of the Authority, the Management Company, and Owners will tour the Raleigh Convention Center on Wednesday, September 22.
- Mr. Byker suggested that the Authority have sub committees with three members representing each, and meet outside of the regular Authority meeting schedule.
- Ms. Kitchin suggested meeting with the Durham Convention and Visitors Bureau (DCVB).

Agenda for next meeting

- Capital construction update
- Revenue Improvement/New Hotel Task Force
- Joint meeting of DCVB and Convention Center Authority boards